

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2002-781

March 18, 2003

CONSUMERS MAINE WATER –
Camden and Rockland Division
Proposed Rate Change (4.9%
Increase in Revenue)

ORDER APPROVING
STIPULATION

WELCH, Chairman; NUGENT and DIAMOND

I. SUMMARY

We allow the rate increase for Consumers Maine Water Company – Camden and Rockland Division (Consumers) as stipulated in the settlement agreement dated March 11, 2003 between the Office of the Public Advocate and Consumers to take effect for service provided beginning March 15, 2003.

II. PROCEDURAL HISTORY

On December 17, 2002, Consumers, pursuant to section 307 of Title 35-A of the Maine Revised Statutes, filed a proposed rate increase for its Camden and Rockland Division of 4.85% or \$190,819 of additional revenue. On January 15, 2003, the Office of Public Advocate (OPA) filed a petition to intervene in the case.

On February 13, 2003, a technical conference was held to discuss the schedule and specific issues as well the potential for settlement. In addition to this technical conference, both the Staff and the OPA issued data requests and several informal conference calls were held between the parties to discuss issues in the case.

On March 11, 2003, Consumers filed a stipulation between the Company and the OPA that would resolve the case.

III. STIPULATION

The stipulation provides for annual operating revenues of \$4,100,906, an increase of \$168,500, or 4.28%, over the 2001 adjusted test-year revenues of \$3,932,407¹, and an allowed rate base of \$12,561,504. The capital structure and cost of capital included in the stipulation is as filed by the Company based upon December 31, 2001 as presented on Exhibit CMW-18.00. The rate increase will be allocated pro rata across all metered and fire protection classes.

¹ This is an increase of \$187,168 or 4.78% over the 2001 unadjusted test-year revenues of \$3,913,738. The unadjusted test-year revenues equal those revenues reported in the MPUC report whereas the adjusted test-year revenues represent the revenues that Consumers would receive based upon current billings and rates.

In the original filing, Consumers stated the requested increase was being driven primarily by increased operating costs and system improvements since the last time rates were increased in the year 2000.

IV. ANALYSIS AND RECOMMENDATION

In approving a stipulation, we consider whether the parties joining the stipulation represent a sufficiently broad spectrum of interests, whether the process leading to the stipulation was fair and whether the stipulated result is reasonable and not contrary to legislative mandate. See e.g., *Consumers Maine Water Company, Proposed General Rate Increase of Bucksport and Hartland Divisions*, Docket No. 96-739 (July 3, 1997) at 2. The Public Advocate represents the using and consuming public, in this case the customers of the Camden and Rockland Division. The process of discovery, the technical conference and the informal conference calls allowed an opportunity for all interested persons to gather information about the reasons for the increase.

We believe that the process was fair; all interested parties had an opportunity to participate. We find that the proposed Stipulation resolves this case consistent with the law and the public interest. The stipulation as filed results in rates that are just and reasonable and in the best interest of ratepayers. It also reduces the risk of increased costs if the case were fully litigated.

V. CONCLUSION

We approve the stipulation filed by the parties in this case for rates to be effective on March 15, 2003.

ORDER

1. That the Stipulation filed on March 11, 2003 is approved; and
2. That the Camden & Rockland Division Rate Schedules, Pages 1 through 6, Fifth Revision filed on March 11, 2003 are approved for effect on March 15, 2003.

Dated at Augusta, Maine, this 18th day of March, 2003.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Nugent
 Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within **21 days** of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.